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FENNEMORE CRAIG, P.C. 2007 JUN -5 P 4:37
A Professional Corporation
Jay L. Shapiro (No. 014650) AZ CORP COMMISSION
Patrick J. Black (No. 017141) DOCKET CONTROL
3003 N. Central Ave., Suite 2600
Phoenix, Arizona 85012
Telephone (602) 916-5000
Attorneys for Coronado Utilities, Inc.

Arizona Corporation Commission

DOCKETED

JUN -5 2007

DOCKETED BY

nr

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF CORONADO
UTILITIES, INC. FOR A CERTIFICATE
OF CONVENIENCE AND NECESSITY
TO PROVIDE WASTEWATER SERVICE
IN PINAL COUNTY, ARIZONA.

DOCKET NO: SW-04305A-05-0086

IN THE MATTER OF THE
APPLICATION OF CORONADO
UTILITIES, INC., AN ARIZONA
CORPORATION, FOR AUTHORITY TO
ISSUE SHORT AND LONG-TERM
DEBT INSTRUMENTS IN
CONNECTION WITH FINANCING
THE ACQUISITION OF THE
WASTEWATER UTILITY PLANT OF
BHP COPPER, INC. AND
CONSTRUCTING IMPROVEMENTS
THERE TO.

DOCKET NO. SW-04305A-05-0087

(Consolidated)

NOTICE OF COMPLIANCE WITH
DECISION NO. 68608 REGARDING
IMPLEMENTATION OF PHASE 2
RATES

Coronado Utilities, Inc. ("Coronado Utilities" or "Company") hereby files this
Notice of Compliance with Decision No. 68608, dated March 23, 2006 ("Order"),
regarding the implementation of Phase 2 rates. The Order says that Phase 2 rates will be
implemented after 1) the new wastewater treatment plant and collection system are in
service; 2) the Company files with Docket Control a copy of its Approval of Construction
from ADEQ; and 3) the customers have received notice of the increase at least 30 days

1 before the rates are implemented. This filing addresses each of these requirements as
2 follows:

3 1. Construction of the San Manuel Wastewater Treatment Plant is substantially
4 complete and the plant is operational. See Engineer's Certificate of Completion and
5 attachments, copy attached hereto as **Exhibit A**;

6 2. As reflected in the attached e-mail to Jason Williamson from
7 Maribeth Greenslade of ADEQ's APP and Reuse Unit (see **Exhibit B**), ADEQ has
8 replaced the Approval of Construction with the APP and, therefore, no Approval of
9 Construction is necessary, nor will such approval be issued by ADEQ;

10 3. On April 30, 2007, Coronado Utilities notified customers of the impending
11 rate increase. See **Exhibit C** attached hereto.

12 Additionally, on May 1, 2007, the Company filed in this docket its Aquifer
13 Protection Permit 105607, which was unsigned. The Company hereby resubmits the first
14 page of the permit which has been signed by the Director of the Water Quality Division.
15 See **Exhibit D** attached hereto.

16 In light of the foregoing, Coronado Utilities has complied with the Order's
17 prescribed requirements regarding the implementation of Phase 2 rates and the new rates
18 will be effective upon docketing of this notice.

19 DATED this 5th day of June, 2007.

20 FENNEMORE CRAIG, P.C.

21
22 By 

23 Jay L. Shapiro

24 Patrick J. Black

25 Attorneys for Coronado Utilities, Inc.
26

1 ORIGINAL and 15 copies of the foregoing
2 filed this 5th day of June, 2007 with:

3 Arizona Corporation Commission
4 Docket Control
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 COPIES of the foregoing hand-delivered
8 this 5th day of June, 2007 to:

9 Christopher Kempley
10 Legal Division
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, Arizona 85007

14 Linda Jaress
15 Utilities Division
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, Arizona 85007

19 Shannon Kanlan
20 Compliance Section
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, AZ 85007

24 By 

25 1922388.1/12923.001
26

EXHIBIT

A

ENGINEER'S CERTIFICATE OF COMPLETION

FOR A WASTEWATER TREATMENT PLANT CONSTRUCTED IN
CONFORMANCE WITH AN INDIVIDUAL AQUIFER PROTECTION PERMIT

APPLICANT INFORMATION

1 Project Name and Number

Project Name San Manuel Wastewater Treatment Plant
 APP File No. 105607
 County Pinal
 Nearest City Yavapai

2 Applicant

Name Jason Williamson Phone 303.333.1250
 Title President Firm Name Coronado Utilities Inc.
 Mailing Address 6825 E. Tennessee Ave Suite 547 City Denver State CO Zip 80224

3 Contact Person/Agent (if different from applicant)

Name _____ Phone _____
 Title _____ Firm Name _____
 Mailing Address _____ City _____ State _____ Zip _____

4 Project Description

Construction of .350 MGD wastewater treatment plant to replace existing oxidation ponds

5 Operation and Maintenance (O&M) Information

A) Principal/Supervisory Operator Information

Name Daniel F. Schanaman Phone 480.253.4543
 Title Operator Firm Name Algonquin Water
 Mailing Address 10226 E. Del Monte City Gold Canyon State AZ Zip 85218
 AZ Operator WW Treatment ID No. 10335 Expiration Date _____

B) The emergency number of the owner/operator of the sewage collection system is 480.283.4543

C) The O&M manual exists, is available for inspection upon request to the applicant by the Department and addresses components of operation and maintenance listed in the attached Engineers Certificate of Completion ☒ Yes ☐ No

6 Certification (To be completed by the applicant in item 2 above)

I, Jason Williamson, certify that this Engineer Certificate of Completion and all attachments were prepared under my direction or authorization and all information is, to the best of my knowledge, true, accurate and complete. I also certify that the wastewater treatment facility described in this form is constructed, designed, and operated in accordance with terms and conditions of Arizona Revised Statutes (A.R.S.) Title 49, Chapter 2, Articles 1, 2 and 3; Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Articles 1 and 2; A.A.C. Title 18, Chapter 11, Article 4; and conditions set forth regarding individual aquifer protection permits. All activities are in conformance with all plans, specifications, manuals and other documents submitted to ADEQ for the development of this specific project permits. I am aware that there are significant penalties for submitting false information including permit revocation as well as the possibility of fine and imprisonment for knowing violations.

Signature

Date

Appendix 2 Certificate of Completion

7 Construction Work Performed (Items 7-12 to be completed by Engineer)

The work on this project was completed on 06-04-07 (date) by the following:

Contractor Name	Work Performed	License Type
West Point Contractors	WWTP Construction	Contractor-103599A
Santec Corporation	Equipment Set-up	

Expected discharge date: 06-04-07 (cannot discharge under a permit prior to submitting this completed certificate to the Department pursuant to A.A.C. R18-9-B203.E)

☐ List of additional contractors attached

8 Leakage and Performance Test Results

Pre-operational leakage tests (yard pipes, basins, manholes, lift stations, and/ or force mains) and performance tests (blowers, pumps, valves, distribution pipes, backflow prevention valves and disinfection) were conducted and/or observed by the following persons, with the results satisfactorily meeting all pertinent requirements in Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Articles 1 and 2. All field test result reports attached to this certificate have been reviewed and approved by the signing engineer.

Contractor/Agency/Tester Name	License Type	Test Performed/Observed by	Satisfactory Results
Santec Corp./ Terry Bouge		Hydrostatic	<input checked="" type="checkbox"/> Yes
Santec Corp./ John Clingman		Mechanical Equipment Testing	<input checked="" type="checkbox"/> Yes
			<input type="checkbox"/> Yes

☐ List of additional contractors is attached

9 Construction Plans and Specifications

☒ The construction plans and specifications submitted for the development of the Individual Aquifer Protection Permit specific to this facility accurately reflect final location, configuration, and construction of components. Final plan sets shall be submitted as as-built plans reflecting appropriate and proper engineering design practices with all seals by registered professionals.

Are process modifications, capacity expansions or discharge characteristic modifications expected to be filed with ADEQ for this facility? Within the next:

- ☐ One year
☐ Two years
☐ Three years

If yes, please provide a description on a separate page.

10 Other Permits

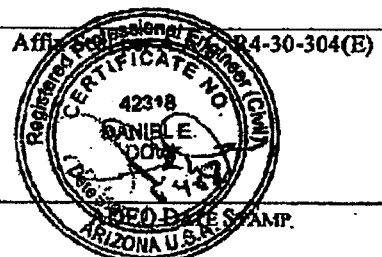
- ☐ An AZPDES Permit is required for discharge. Permit No.
☐ A Floodplain Use Permit is required. List permitting authority.
☒ List other environmental permits (include odor/noise nuisance waivers and allowances) **NOISE AND ODOR WAIVER**

11 Additional Information Attached

- ☐ No
☒ Yes (please describe on a separate page) 3 pages Attached

12 Certification Statement

I, Daniel E. Dow (print name), a Professional Engineer registered in the State of Arizona, have provided the evidence listed in items 7-11 that the construction of the above described project was completed, to the best of my knowledge.



Constructed within 2 years ☐ Yes ☐ No



Corporation

220 Malibu Street Castle Rock, Colorado 80104 Phone (303) 660-9211 Fax (303) 660-2180

May 31, 2007

TO: Coronado Utilities Inc.
Jason Williamson
6825 E. Tennessee Ave. Suite 547
Denver, CO 80224

RE: San Manuel WWTP

Dear Mr. Williamson,

Santec Corporation has substantially completed construction of the San Manuel WWTP. Facility construction conforms with the plans submitted to the Arizona Department of Environmental Quality (ADEQ) for this project including final location, configuration and construction of components.

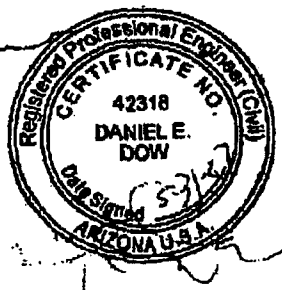
Leakage tests have been conducted with no leakage evident from process tanks or components. Performance tests on mechanical equipment including blowers, pumps, valves and piping were also conducted with all equipment operational.

At this time, the WWTP is operational and capable of meeting the performance requirements outlined in Aquifer Protection Permit No. 105607.

Please feel free to contact me if you have any questions regarding the above.

Sincerely,

Daniel E. Dow, P.E.
Santec Corporation



June 1, 2007

TO: Santeo Corporation
Daniel Dow, P.E.
220 Malibu Street
Castle Rock, CO 80109

RE: San Manuel WWTP

Dear Mr. Dow,

Coronado Utilities Inc. has conducted final inspection of the San Manuel Wastewater Treatment facility. Coronado Utilities Inc. accepts the facility as completed and requests the Engineer's Certificate of Completion be issued for the facility.

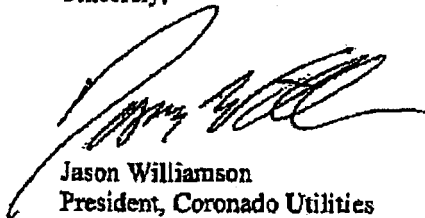
The following items were noted as "punch-list" items to be completed during the start-up phase of plant operations (see attached project punch-list).

- 1) Pump installation and testing of effluent reuse pumping system
- 2) Provide operations equipment
 - a. D.O./ ph Meter
 - b. Sludge Judge
 - c. Settrometer
 - d. Imhoff Cone
- 3) Site building finishes (cabinets, desktops, sinks, counters etc..)

Final site fencing construction to be completed following closure of the existing (1953) system.

Please feel free to contact me if you have any questions regarding the above.

Sincerely,



Jason Williamson
President, Coronado Utilities

Enc: Coronado Utilities New WWTP Project Completion Punchlist

Coronado Utilities New WWTP Project Completion Punchlist

DS = Dan Schaneman - Operator
JW = Jason Williamson - Owner

Item	Proj. Completion Date	Req. item for completion? (Y/N)	Listed by:	Notes:
Effluent Lift Station Pumps	6/6/2007	Y	JW	Won't be utilized until system is through the startup phase (4-6 weeks)
Aeration Diffusers - Reset and adjust		N	DS	
D.O. Meter/ Probe		N	DS	Testing equipment is included in Santeo contract
pH Meter/ Probe		N	DS	
Sludge Judge		N	DS	
Settleability Cone/ Beaker		N	DS	
PLC Adjustments		N	DS	
Seeding Sludge		N	DS	Locate local plant who is willing to provide this material
Chemical Tools (Chlorine & Methanol)		N	DS	Dan is ordering through Algonquin on 6/1
Concrete pad and 3 wall garage		N	JW	
Fencing		N	JW	
Additional 3-4 loads of pea gravel		N	JW	
Building finishes (cabinets, furniture, counters, etc.)	7/15/2007	N	JW	Unknown quantity needed for final grading - will be ordered by JC

EXHIBIT

B

REDACTED

From: Maribeth E. Greenslade [mailto:Greenslade.Maribeth@azdeq.gov]
Sent: Monday, June 04, 2007 3:48 PM
To: Jason Williamson
Cc: Asif K. Majeed
Subject: RE: Coronado - Engineer's Certificate of Completion

Jason,

ADEQ received the completed Engineer's Certificate of Completion as required by APP #105607 (copy of permit attached). Section 3.3 of the permit indicates that the Certificate must be received prior to discharging from the new facility. This requirement is included in all recently issued APPs and replaces the previous ADEQ requirement for Approval of Construction.

Maribeth

Maribeth E. Greenslade, P.E.
APP and Reuse Unit
Groundwater Section
Arizona Department of Environmental Quality
1110 W. Washington
Phoenix, Arizona 85007
(602) 771-4578 (phone)
(602) 771-4674 (fax)

From: Jason Williamson [mailto:jw@pivotalcompanies.com]
Sent: Monday, June 04, 2007 11:07 AM
To: Maribeth E. Greenslade
Subject: Coronado - Engineer's Certificate of Completion

Maribeth,
I've attached hereto the ADEQ format for the Engineer's certificate of completion. As we discussed on Thursday last week, I need to file a letter with the ACC stating that this procedure that now exists is in lieu of the former ADEQ approval of construction.

Could you send this off to me yet today? I would really appreciate that.

Also, let me know if there is anything further I need to do with regard to the compliance item in our permit.

Regards,
Jason Williamson

6/5/2007

EXHIBIT

C

April 30, 2007

Important Information for our valued Coronado Utilities customers:

As you are probably aware, we are very near the completion of the new wastewater treatment facility that will serve the town of San Manuel. The facility will be fully operational by the middle of May, and as such, the implementation of the second of three phases of sewer rates will follow.

According to the phase-2 tariff approved by the Arizona Corporation Commission last year, the rates for residential customers will be increased from \$27.00 to \$37.00. Rates for Commercial Customers and Trailer Parks will also be increased in accordance with the Phase Two Tariff (see reverse side of this sheet for a copy of the tariff). The procedure for initiating the second tier rates includes notifying you, our customers, at least 30 days in advance of the new rate taking effect.

Please consider this letter as your official notice of the pending rate increase beginning next month. Since we bill in arrears, your bill next month will likely be a combination of the old rate and the new (i.e. if the new plant is operational by May 15, half of the month will be based on the old rate, and half based on the new rate). Your billing statement will include a detailed description of the methodology used to calculate your rate, and as always, you are welcome to contact us with any questions.

I realize that the transition to these higher rates is and will continue to be a difficult one. However, I want to remind you that the improvements we are making to the community sewer treatment system are both environmentally-conscious (the old system was not treating sewage to an adequate level) and important for the future of San Manuel. To that end, and since we view the new San Manuel Wastewater Treatment System as a community asset, we will be scheduling an Open House tour of the new sewer facility sometime this fall (we need to wait until BHP removes the old treatment system and the old site has been remediated – this process will take about 6 months).

I also want to take the opportunity to apologize to any of the customers that have had to deal with billing errors or processing errors. In our conversion to a new accounting software system earlier this year, we had a number of unforeseen issues that have caused some problems on the billing statements, most of which, we believe, have now been rectified.

Finally, for those of you who have paid your sewer deposit, and have remained current on your account (no more than one late payment during the last year), please note that your security deposit will be applied to your regular monthly billings beginning as early as the July 1 invoice (timing of the refund and accrued interest depends on the date we received your initial deposit).

Thank you for your business.

Jason Williamson
President, Coronado Utilities

EXHIBIT

D

**STATE OF ARIZONA
AQUIFER PROTECTION PERMIT NO. P-105607
PLACE ID 23636, LTF 35672**

1.0 AUTHORIZATION

In compliance with the provisions of Arizona Revised Statutes (A.R.S.) Title 49, Chapter 2, Articles 1, 2 and 3, Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Articles 1 and 2, A.A.C. Title 18, Chapter 11, Article 4 and amendments thereto, and the conditions set forth in this permit, Coronado Utilities, Inc. is hereby authorized to operate the San Manuel Wastewater Treatment Plant located at the former BHP Copper San Manuel Plant Site, located adjacent to the unincorporated town of San Manuel, on State Route 76, Pinal County, Arizona, over groundwater of the Lower San Pedro groundwater basin, in Township 9 S, Range 17 E, Section 28, of the Gila and Salt River Base Line and Meridian.

This permit becomes effective on the date of the Water Quality Division Director's signature and shall be valid for the life of the facility (operational, closure, and post-closure periods) unless suspended or revoked pursuant to A.A.C. R18-9-A213. The permittee shall construct, operate and maintain the permitted facilities:

1. Following all the conditions of this permit including the design and operational information documented or referenced below, and
2. Such that Aquifer Water Quality Standards (AWQS) are not violated at the applicable point(s) of compliance (POC) set forth below or if an AWQS for a pollutant has been exceeded in an aquifer at the time of permit issuance, that no additional degradation of the aquifer relative to that pollutant and as determined at the applicable POC occurs as a result of the discharge from the facility.

1.1 PERMITTEE INFORMATION

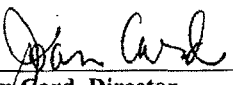
Facility Name: San Manuel Wastewater Treatment Plant (WWTP)
Facility Address: 88606 E. Magma Plant Road, San Manuel, Arizona 85631
(Adjacent to the unincorporated town of San Manuel
on the former BHP Plant Site near Reddington Road)
Pinal County

Permittee: Coronado Utilities, Inc.
Permittee Address: 6825 E. Tennessee Ave., Suite 547
Denver, CO 80224

Facility Contact: Jason Williamson, Coronado Utilities, Inc.
Emergency Phone No.: (520) 471-6538

Latitude/Longitude: 32° 37' 15" N, 110° 07' 07" W
Legal Description: Township 9S, Range 17E, Section 28, SW 1/4, SW 1/4, NE1/4 of the Gila and Salt
River Baseline and Meridian

1.2 AUTHORIZING SIGNATURE



Joan Card, Director
Water Quality Division
Arizona Department of Environmental Quality

Signed this 17th day of May, 2007